

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  OFFICE OF CONSUMER ADVOCATE,  Complainant,  vs.  UKI COMMUNICATIONS, INC.,  Respondent.	DOCKET NO. FCU-03-23
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**ORDER DOCKETING FOR FORMAL PROCEEDING  
AND REQUESTING RESPONSE**

(Issued January 20, 2004)

On March 27, 2003, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed with the Utilities Board (Board) a petition for a proceeding to impose civil penalties pursuant to Iowa Code § 476.103 (2003), asking that the Board review the proposed resolution issued in C-03-034, involving UKI Communication, Inc. (UKI), and consider the possibility of assessing a civil penalty pursuant to Iowa Code § 476.103(4)"a." Based upon the record assembled in the informal complaint proceedings (which are a part of the record in this proceeding pursuant to 199 IAC 6.7), it appears the events to date can be summarized as follows:

On January 28, 2003, Ms. Marla Griffin filed a complaint with the Board against UKI alleging that she was induced to switch her long distance telephone

service to UKI by a telemarketer who represented that Ms. Griffin would receive a rate of \$.04 per minute for long distance calls and that she would receive a one time promotional check for \$25.00. Ms. Griffin alleged that based on this offer, she switched her long distance service to UKI, but UKI did not make good on the offer. Board staff identified the matter as C-03-37 and, pursuant to Board rules, on February 5, 2003, forwarded the complaint to UKI for response.

UKI responded to the complaint on February 13, 2003, stating that its records show that Ms. Griffin's long distance service was switched to UKI following a third-party verification call and that UKI complied with all legal requirements for switching Ms. Griffin's long distance service. UKI apologized for any confusion and issued Ms. Griffin a full refund of \$51.70, which represented a re-rate of all domestic long distance calls in addition to the PIC-change fee. Also, UKI stated that it issued a check to Ms. Griffin in the amount of \$25.00.

On March 19, 2003, Board staff issued a proposed resolution describing these events and proposing that the credit offered by UKI represented a fair resolution of the situation. No party other than the Consumer Advocate has challenged the staff's proposed resolution.

In its March 27, 2003, petition, Consumer Advocate asserts that the proposed resolution does not address the potential misrepresentation of UKI's rates during the solicitation call to Ms. Griffin. Consumer Advocate argues that the alleged fraud vitiates any authorization that Ms. Griffin may have given to UKI. In addition, Consumer Advocate asserts that other slamming complaints received by Board staff have named UKI as the alleged violating company. Consumer Advocate requests

that the Board docket this complaint for a formal proceeding and impose civil penalties on UKI. UKI has not responded to Consumer Advocate's petition.

The Board has reviewed the record to date as well as the additional slamming complaints made against UKI and finds that there is sufficient information to warrant further investigation in this matter. The Board recognizes that there has not been any action in this matter for some time. Therefore, the Board will delay establishing a procedural schedule until February 16, 2004, and allow UKI an opportunity to respond to the allegations raised in Consumer Advocate's petition.

**IT IS THEREFORE ORDERED:**

1. The "Petition for Proceeding to Impose Civil Penalty" filed by the Consumer Advocate Division of the Department of Justice on March 27, 2003, identified as Docket No. FCU-03-23, is granted and docketed for formal proceeding.

2. UKI Communications, Inc., shall file a response to the petition filed by Consumer Advocate on March 27, 2003, on or before February 16, 2004.

**UTILITIES BOARD**

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 20<sup>th</sup> day of January, 2004.